



JOHN W. FLITTER
DIRECTOR
ELECTRIC & GAS REGULATION

November 21, 2011

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Application of Progress Energy Carolinas, Incorporated for Approval of Experimental Tariffs Covering its Initial Slate of Demand-Side Management and Energy Efficiency ("DSM and EE") Programs - Proposed Revised Residential Home Energy Improvement Program HEIP-4 Experimental Tariff
Docket No. 2009-190-E

Dear Ms. Boyd:

The Office of Regulatory Staff ("ORS") has reviewed the filing in the above-referenced docket and has no objection to the Application of Progress Energy Carolinas, Incorporated ("Company") for approval to revise the Residential Home Energy Improvement Program HEIP-4 Experimental tariff ("RHEIP").

RHEIP was approved in Order No. 2009-374 dated June 26, 2009 and is available to residential customers whose premises are at least one year old. RHEIP offers customers incentives for a variety of energy conservation measures designed to increase energy efficiency. The objectives of the program as approved in Order No. 2009-374 are: (1) to encourage the installation of high efficiency air conditioning ("AC") and heat pump systems, (2) to encourage attic insulation and sealing, (3) to perform maintenance in combination with diagnostic audits on heat pumps or central AC units, and (4) to encourage the installation of heat pump water heaters.

The proposed changes to RHEIP are as follows: (1) the removal of HVAC Tune Ups-Level 1, (2) the removal of window replacement; (3) the removal of duct testing, (4) increase in incentives for insulation and duct repair, (5) the addition of high efficiency room air conditioners and heat pump water heaters to the program, and (6) clarification regarding the ownership of environmental, energy efficiency and demand response benefits and attributes.

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The proposed revisions to RHEIP are consistent with stated program objectives as well as with findings contained in the Company's Evaluation Measurement and Verification ("EM&V") report for the 2009 program. This report was previously filed with the Commission on May 3, 2011 in Docket No. 2008-251-E.

Thank you for the opportunity to provide comments in this matter.

Sincerely,



John W. Flitter

JWF/swb

cc: Dan F. Arnett, Chief of Staff, SC ORS
Nanette S. Edwards, Chief Counsel and Director of Legal Services, SC ORS
Shannon Bowyer Hudson, Esquire, SC ORS
Len S. Anthony, General Counsel – Regulatory Affairs, Progress Energy Carolinas